

CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 536

Citations Affected: IC 5-28-27; IC 22-4; IC 22-4.5-2-14; IC 22-4-18.3; IC 22-4-24.5-1; IC 22-4.5-2-5; IC 22-4.5-3-4.

Synopsis: Skills 2016 training fund. Requires the economic development corporation (corporation) to award training and counseling assistance grants in accordance with department of workforce development (DWD) guidelines. Transfers the skills 2016 training fund (fund) to the corporation. Requires the corporation to enter into an agreement with the DWD to administer the fund. Requires the secretary of commerce to allocate the money in the fund to employers and consortiums for worker training grants, after considering information provided by the DWD. Requires that Ivy Tech State College be given special consideration to be the provider of training obtained through the fund when: (1) Ivy Tech courses meet the needs of an employer or consortium; and (2) Ivy Tech is the most cost effective provider. Establishes a sunset for the fund of December 31, 2008. Repeals the incumbent workers training board. Repeals obsolete statutes concerning the fund. Requires the DWD to study the adoption of a life long learning accounts program and to report not later than November 1, 2005, to the legislative council the DWD's recommendations, including any proposed legislation. Allocates an amount not to exceed \$50,000 from the fund to the DWD to conduct the study. **(This conference committee report: (1) removes a provision that annually allocates \$500,000 from the skills 2016 training fund for training and counseling assistance for unemployed minorities and women; (2) restores a provision that annually allocates an amount not to exceed \$450,000 from the special employment and training services fund for training and counseling assistance to individuals who have been unemployed for at least four weeks and are not eligible for, or participating in, training or counseling under any other program; (3) removes provisions concerning a life long learning tax credit program; (4) adds provisions requiring the DWD to study the adoption of a life long learning accounts program and to make recommendations, including any proposed legislation, to the legislative council not later than November 1, 2005; (5) allocates an amount not to exceed \$50,000 from the fund to the DWD to conduct the study; (6) specifies the DWD's role in the incumbent worker training grant award process; and (7) corrects technical errors in the bill.)**

Effective: Upon passage.

Adopted

Rejected

CONFERENCE COMMITTEE REPORT

MR. SPEAKER:

Your Conference Committee appointed to confer with a like committee from the Senate upon Engrossed House Amendments to Engrossed Senate Bill No. 536 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 5-28-27 IS ADDED TO THE INDIANA CODE AS
- 3 A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON
- 4 PASSAGE]:
- 5 Chapter 27. Skills 2016 Training Fund
- 6 Sec. 1. This chapter expires December 31, 2008.
- 7 Sec. 2. As used in this chapter, "fund" refers to the skills 2016
- 8 training fund established by section 3 of this chapter.
- 9 Sec. 3. (a) The skills 2016 training fund is established to do the
- 10 following:
- 11 (1) Administer the costs of the skills 2016 training program
- 12 established under IC 22-4-10.5.
- 13 (2) Undertake any program or activity that furthers the
- 14 purposes of IC 22-4-10.5.
- 15 (3) Refund skills 2016 training assessments erroneously
- 16 collected and deposited in the fund.
- 17 (b) The money in the fund shall be allocated as follows:
- 18 (1) An amount to be determined annually shall be set aside for
- 19 the payment of refunds from the fund.
- 20 (2) The remainder of the money in the fund shall be allocated
- 21 to employers or consortiums for incumbent worker training

grants that enable workers to obtain recognizable credentials or certifications and transferable employment skills that improve employer competitiveness.

(c) Special consideration shall be given to the state educational institution established under IC 20-12-61 to be the provider of the training funded under this chapter whenever the state educational institution:

(1) meets the identified training needs of an employer or a consortium with an existing credentialing or certification program; and

(2) is the most cost effective provider.

(d) For the incumbent worker training grants described in subsection (b), the department of workforce development shall do the following:

(1) Provide grant applications to interested employers and consortiums.

(2) Accept completed applications for the grants.

(3) Obtain all information necessary or appropriate to determine whether an applicant qualifies for a grant, including information concerning:

(A) the applicant;

(B) the training to be offered;

(C) the training provider; and

(D) the workers to be trained.

(4) Prepare summaries or other reports to assist the secretary of commerce in reviewing the grant applications.

(e) The department of workforce development shall forward the grant applications and other information collected or received by the department under subsection (d) to the secretary of commerce who shall allocate the money in the fund in accordance with subsections (b) and (c), after considering the information provided by the department of workforce development.

(f) The corporation shall enter into an agreement with the department of workforce development for the department of workforce development to administer the fund using money appropriated from the fund.

(g) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public money may be invested.

(h) Money in the fund at the end of a state fiscal year does not revert to the state general fund.

(i) The fund consists of the following:

(1) Assessments deposited in the fund.

(2) Earnings acquired through the use of money belonging to the fund.

(3) Money deposited in the fund from any other source.

(4) Interest and penalties collected.

(j) Any balance in the fund does not lapse but is available continuously to the corporation for expenditures for the program established under IC 22-4-10.5 consistent with this chapter, after considering any information concerning an expenditure provided

1 **by the department of workforce development.**

2 SECTION 2. IC 22-4-10.5-0.5 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE UPON PASSAGE]: **Sec. 0.5. This chapter expires**
5 **December 31, 2008.**

6 SECTION 3. IC 22-4-10.5-6 IS AMENDED TO READ AS
7 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. (a) The skills
8 2016 training program is to be administered by the ~~department of~~
9 ~~workforce development~~ **Indiana economic development corporation**
10 in the manner prescribed by ~~IC 22-4-18-3~~: **IC 5-28-27.**

11 **(b) The Indiana economic development corporation shall enter**
12 **into an agreement with the department of workforce development**
13 **for the department of workforce development to administer the**
14 **fund.**

15 SECTION 4. IC 22-4-10.5-7 IS AMENDED TO READ AS
16 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. ~~(a) After making~~
17 ~~the deposit required by subsection (b);~~ The department shall deposit
18 skills 2016 training assessments paid to the department under this
19 chapter in the skills 2016 training fund established by ~~IC 22-4-24.5-1~~.
20 **IC 5-28-27-3.**

21 ~~(b) After June 30, 2003, unless the board approves a lesser amount,~~
22 ~~the department annually shall deposit the first four hundred fifty~~
23 ~~thousand dollars (\$450,000) in skills 2016 training assessments paid to~~
24 ~~the department under this chapter in the special employment and~~
25 ~~training services fund established by IC 22-4-25-1 for the training and~~
26 ~~counseling assistance described in IC 22-4-25-1(f).~~

27 SECTION 5. IC 22-4-25-1 IS AMENDED TO READ AS
28 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. (a) There is
29 created in the state treasury a special fund to be known as the special
30 employment and training services fund. All interest on delinquent
31 contributions and penalties collected under this article, together with
32 any voluntary contributions tendered as a contribution to this fund, ~~and~~
33 ~~amounts deposited as required by IC 22-4-10.5-7(b);~~ shall be paid into
34 this fund. The money shall not be expended or available for expenditure
35 in any manner which would permit their substitution for (or a
36 corresponding reduction in) federal funds which would in the absence
37 of said money be available to finance expenditures for the
38 administration of this article, but nothing in this section shall prevent
39 said money from being used as a revolving fund to cover expenditures
40 necessary and proper under the law for which federal funds have been
41 duly requested but not yet received, subject to the charging of such
42 expenditures against such funds when received. The money in this fund
43 shall be used by the board for the payment of refunds of interest on
44 delinquent contributions and penalties so collected, for the payment of
45 costs of administration which are found not to have been properly and
46 validly chargeable against federal grants or other funds received for or
47 in the employment and training services administration fund, on and
48 after July 1, 1945. Such money shall be available either to satisfy the
49 obligations incurred by the board directly, or by transfer by the board
50 of the required amount from the special employment and training
51 services fund to the employment and training services administration

1 fund. No expenditure of this fund shall be made unless and until the
2 board finds that no other funds are available or can properly be used to
3 finance such expenditures, except that expenditures from said fund may
4 be made for the purpose of acquiring lands and buildings or for the
5 erection of buildings on lands so acquired which are deemed necessary
6 by the board for the proper administration of this article. The board
7 shall order the transfer of such funds or the payment of any such
8 obligation or expenditure and such funds shall be paid by the treasurer
9 of state on requisition drawn by the board directing the auditor of state
10 to issue the auditor's warrant therefor. Any such warrant shall be drawn
11 by the state auditor based upon vouchers certified by the board or the
12 commissioner. The money in this fund is hereby specifically made
13 available to replace within a reasonable time any money received by
14 this state pursuant to 42 U.S.C. 502, as amended, which, because of any
15 action or contingency, has been lost or has been expended for purposes
16 other than or in amounts in excess of those approved by the bureau of
17 employment security. The money in this fund shall be continuously
18 available to the board for expenditures in accordance with the
19 provisions of this section and shall not lapse at any time or be
20 transferred to any other fund, except as provided in this article. Nothing
21 in this section shall be construed to limit, alter, or amend the liability of
22 the state assumed and created by IC 22-4-28, or to change the
23 procedure prescribed in IC 22-4-28 for the satisfaction of such liability,
24 except to the extent that such liability may be satisfied by and out of the
25 funds of such special employment and training services fund created by
26 this section.

27 (b) The board, subject to the approval of the budget agency and
28 governor, is authorized and empowered to use all or any part of the
29 funds in the special employment and training services fund for the
30 purpose of acquiring suitable office space for the department by way of
31 purchase, lease, contract, or in any part thereof to purchase land and
32 erect thereon such buildings as the board determines necessary or to
33 assist in financing the construction of any building erected by the state
34 or any of its agencies wherein available space will be provided for the
35 department under lease or contract between the department and the state
36 or such other agency. The commissioner may transfer from the
37 employment and training services administration fund to the special
38 employment and training services fund amounts not exceeding funds
39 specifically available to the commissioner for that purpose equivalent
40 to the fair, reasonable rental value of any land and buildings acquired
41 for its use until such time as the full amount of the purchase price of
42 such land and buildings and such cost of repair and maintenance thereof
43 as was expended from the special employment and training services
44 fund has been returned to such fund.

45 (c) The board may also transfer from the employment and training
46 services administration fund to the special employment and training
47 services fund amounts not exceeding funds specifically available to the
48 commissioner for that purpose equivalent to the fair, reasonable rental
49 value of space used by the department in any building erected by the
50 state or any of its agencies until such time as the department's
51 proportionate amount of the purchase price of such building and the

department's proportionate amount of such cost of repair and maintenance thereof as was expended from the special employment and training services fund has been returned to such fund.

(d) Whenever the balance in the special employment and training services fund is deemed excessive by the board, the board shall order payment into the unemployment insurance benefit fund of the amount of the special employment and training services fund deemed to be excessive.

(e) Subject to the approval of the board, the commissioner may use not more than five million dollars (\$5,000,000) during a program year for training provided by the state educational institution established under IC 20-12-61 to participants in joint labor and management apprenticeship programs approved by the United States Department of Labor's Bureau of Apprenticeship Training. Of the money allocated for training programs under this subsection, fifty percent (50%) is designated for industrial programs, and the remaining fifty (50%) percent is designated for building trade programs.

(f) The commissioner shall allocate an amount not to exceed four hundred fifty thousand dollars (\$450,000) annually for training and counseling assistance under IC 22-4-14-2 provided by state educational institutions (as defined in IC 20-12-0.5-1) or counseling provided by the department of workforce development for individuals who:

- (1) have been unemployed for at least four (4) weeks;
- (2) are not otherwise eligible for training and counseling assistance under any other program; and
- (3) are not participating in programs that duplicate those programs described in subsection (e).

Training or counseling provided under IC 22-4-14-2 does not excuse the claimant from complying with the requirements of IC 22-4-14-3. Eligibility for training and counseling assistance under this subsection shall not be determined until after the fourth week of eligibility for unemployment training compensation benefits. The training and counseling assistance programs funded by this subsection must be approved by the United States Department of Labor's Bureau of Apprenticeship Training.

SECTION 6. IC 22-4-32-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 19. (a) At any time within four (4) years after the date upon which any contributions, skills 2016 training assessments under IC 22-4-10.5-3, or interest thereon were paid, an employing unit which has paid such contributions, skills 2016 training assessments, or interest thereon may make application for a refund of such contributions, skills 2016 training assessments, or an adjustment thereon in connection with subsequent contribution payments or skills 2016 training assessments. The commissioner shall thereupon determine whether or not such contribution or skills 2016 training assessment, or interest or any portion thereof was erroneously paid or wrongfully assessed and notify the employing unit in writing of its decision.

(b) Such decision shall constitute the initial determination referred to in section 4 of this chapter and shall be subject to hearing and review as provided in sections 1 through 15 of this chapter.

(c) The commissioner may grant such application in whole or in part and may allow the employing unit to make an adjustment thereof without interest in connection with subsequent contribution payments or skills 2016 training assessments. If such adjustment cannot be made, the commissioner may refund such amounts, without interest, from the fund. For like cause and within the same period, adjustments or refund may be made on the commissioner's own initiative. Any adjustments or refunds of interest or penalties collected for contributions due under IC 22-4-10-1 shall be charged to and paid from the special employment and training services fund created by IC 22-4-25. Any adjustments or refunds of interest or penalties collected for skills 2016 training assessments due under IC 22-4-10.5-3 shall be charged to and paid from the skills 2016 training fund established by ~~IC 22-4-24.5-1~~. **IC 5-28-27-3.**

(d) If any assessment has become final by virtue of a decision of a liability administrative law judge with the result that no proceeding for judicial review as provided in this article was instituted, no refund or adjustment with respect to such assessment shall be made.

SECTION 7. IC 22-4.5-2-14 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. "Youth council" refers to an advisory committee to a regional board ~~under IC 22-4.5-3-4~~. **established by IC 22-4.5-3-5.**

SECTION 8. THE FOLLOWING ARE REPEALED [EFFECTIVE UPON PASSAGE]: IC 22-4-18.3; IC 22-4-24.5-1; IC 22-4.5-2-5; IC 22-4.5-3-4.

SECTION 9. [EFFECTIVE UPON PASSAGE] **On the effective date of this act:**

(1) the skills 2016 training fund; and
 (2) all the money in the skills 2016 training fund;
 established by IC 22-4-24.5-1 (repealed by this act) are transferred to the Indiana economic development corporation and deposited in the skills 2016 training fund established by IC 5-28-27-3, as added by this act, and administered by the department of workforce development under an agreement between the Indiana economic development corporation and the department of workforce development.

SECTION 10. [EFFECTIVE UPON PASSAGE] (a) As used in this SECTION, "department" refers to the department of workforce development established by IC 22-4.1-2-1.

(b) The department shall examine the adoption of a life long learning accounts program to encourage life long learning practices by individuals:

(1) whose principal place of employment is in Indiana; or
 (2) who are unemployed and seeking work in Indiana.

(c) The study described in subsection (b) must include the following:

(1) A fiscal analysis of any proposed program, including an assessment of the effectiveness of a proposed program to:
 (A) retain jobs;
 (B) increase income; and
 (C) increase the tax base;

1 in Indiana.

2 (2) An estimate of the extent to which a proposed program may
3 increase life long learning practices.

4 (3) Other issues or topics the department considers necessary
5 or appropriate to prepare the report required by subsection
6 (h).

7 (d) The study described in subsection (b) may also include a
8 review of the practices and experiences of other states or political
9 subdivisions with programs similar to any program considered by
10 the department.

11 (e) The department may partner with a public or private group
12 to conduct all or any part of the study described in subsection (b).

13 (f) Notwithstanding IC 5-28-27-3(b), as added by this act, the
14 department may receive an allocation not to exceed fifty thousand
15 dollars (\$50,000) from the skills 2016 training fund established by
16 IC 5-28-27-3, as added by this act, to conduct the study described
17 in subsection (b).

18 (g) Subject to the approval of the budget agency, the department
19 may receive and accept gifts and other donations from any public
20 or private source for use in conducting all or any part of the study
21 described in subsection (b).

22 (h) The department shall report to the legislative council, not
23 later than November 1, 2005, in an electronic format under
24 IC 5-14-6, the results of the study described in subsection (b) and
25 the department's recommendations, including any proposed
26 legislation, if the department's report includes a finding that a life
27 long learning accounts program should be implemented on a
28 permanent basis.

29 (i) This SECTION expires January 1, 2006.

30 SECTION 11. An emergency is declared for this act.

(Reference is to ESB 536 as reprinted April 6, 2005.)

Conference Committee Report
on
Engrossed Senate Bill 536

Signed by:

Senator Clark
Chairperson

Representative Harris T

Senator Lewis

Representative Borror

Senate Conferees

House Conferees